1958

Annual Report

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

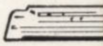
Burlington
Route

MRb
652.0973
C4322r

FOREWORD

TO OUR PATRONS—

The Burlington gratefully acknowledges the fine acceptance of our services during the year. We pledge our continued effort, now and in the years ahead, to offer our patrons transportation of the highest standard.



Cover Picture—
Children watch as one of the Burlington's fast freight trains approaches the station at LaCrosse, Wisconsin.

One Hundred and Fifth

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

For the Year Ended
December 31, 1958

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

JOHN M. BUDD *President, Great Northern Railway Company*	St. Paul, Minn.
KENNETH F. BURGESS *Partner, Sidley, Austin, Burgess & Smith*	Chicago, Ill.
L. R. CAPRON *Retired Vice President-Traffic* *Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
GEORGE M. FOSTER *Chairman of the Board, John Morrell & Company*	Ottumwa, Ia.
J. C. JAMES *Retired Executive Vice President and General Counsel,* *Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
ROBERT S. MACFARLANE *President, Northern Pacific Railway Company*	St. Paul, Minn.
A. D. McLANE *Secretary and Assistant Treasurer* *Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
ELLSWORTH MOSER *President, U. S. National Bank of Omaha*	Omaha, Nebr.
H. C. MURPHY *President, Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
CLARENCE B. RANDALL *Director, Inland Steel Company*	Chicago, Ill.
R. DOUGLAS STUART *Chairman of the Board, The Quaker Oats Company*	Chicago, Ill.

EXECUTIVE COMMITTEE

H. C. MURPHY...*Chairman*

JOHN M. BUDD
KENNETH F. BURGESS
GEORGE M. FOSTER
J. C. JAMES
ROBERT S. MACFARLANE
R. DOUGLAS STUART

OFFICERS

H. C. MURPHY, *President*	Chicago
F. L. KARTHEISER, *Vice President-Executive Department*	Chicago
GUY R. GLOVER, *Vice President-Traffic Department*	Chicago
S. L. FEE, *Vice President-Operating Department*	Chicago
ELDON MARTIN, *Vice President and General Counsel*	Chicago
J. E. WOLFE, *Vice President-Personnel*	Chicago
R. C. SMITH, *Comptroller*	Chicago
HOLLY STOVER, *Executive Assistant*	Chicago
F. E. SPERRY, *Assistant Vice President-Operating Department*	Chicago
R. W. COGLAN, *Treasurer and Assistant Secretary*	Chicago
A. D. McLANE, *Secretary, Assistant Treasurer and Transfer Agent*	Chicago
E. J. BROWN, *Chief Engineer*	Chicago
J. F. McALPINE, *Director of Purchases and Stores*	Chicago
JOHN E. ADAMS E. V. FINK *Fiscal Agents*	39 Broadway, New York
GERARD MONTGOMERY CLARA M. BYRNES *Transfer Agents*	39 Broadway, New York

The above were Directors and Officers as of December 31, 1958.

PRINCIPAL OFFICE OF THE COMPANY

BURLINGTON BUILDING..............547 W. Jackson Blvd., Chicago 6, Ill.

HIGHLIGHTS OF OPERATIONS

	1958	1957	Increase (I) or Decrease (D)
Operating Revenues (Page 31)	$258,027,700	$258,308,215	$ 280,515 (D)
Operating Expenses (Page 31)	$200,263,598	$205,579,093	$ 5,315,495 (D)
Operating Ratio (Page 31)	77.61	79.59	1.98 (D)
Available for Fixed Charges	$ 26,860,958	$ 24,109,884	$ 2,751,074 (I)
Fixed Charges (Page 31)	$ 7,369,226	$ 6,927,272	$ 441,954 (I)
Times Fixed Charges Earned	3.65	3.48	.17 (I)
Total Taxes (Page 24)	$ 26,437,539	$ 25,735,375	$ 702,164 (I)
Net Income	$ 19,491,732	$ 17,182,612	$ 2,309,120 (I)
Dividends Paid	$ 12,812,902	$ 12,812,902	
Averages per Share of Stock:			
Taxes	$ 15.48	$ 15.06	$ .42 (I)
Net Income	$ 11.41	$ 10.06	$ 1.35 (I)
Dividends Paid	$ 7.50	$ 7.50	
Net Investment	$752,082,013	$745,375,290	$ 6,706,723 (I)
Rate of Return on Net Investment	3.15%	2.82%	.33 (I)
Average Number of Employes	23,848	25,574	1,726 (D)
Total Wages	$131,699,475	$132,024,310	$ 324,835 (D)
Revenue Ton Miles	15,258,486,643	15,600,061,500	341,574,857 (D)
Revenue Passenger Miles	862,595,422	889,102,902	26,507,480 (D)
Miles of Road Operated—end of year	8,687.04	8,758.45	71.41 (D)
Total Outstanding Funded Debt including Equipment Obligations (Page 38)	$222,905,022	$221,768,553	$ 1,136,469 (I)

REPORT

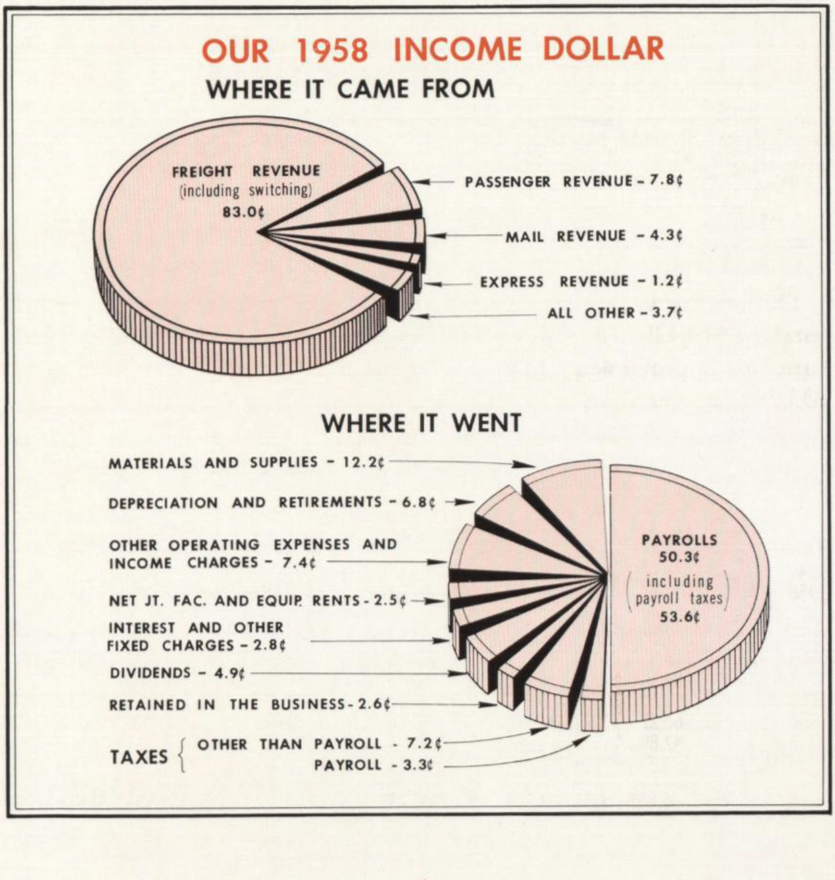
for the Year Ended December 31, 1958

Total operating revenues in 1958 amounted to $258,027,700, a decrease of $280,515 or 0.11 per cent compared with 1957. The reduction was the result of the recession which started in 1957 and continued into 1958. Total operating revenues for the first eight months of 1958 were $163,392,703 compared with $167,455,276 for the same period of 1957.

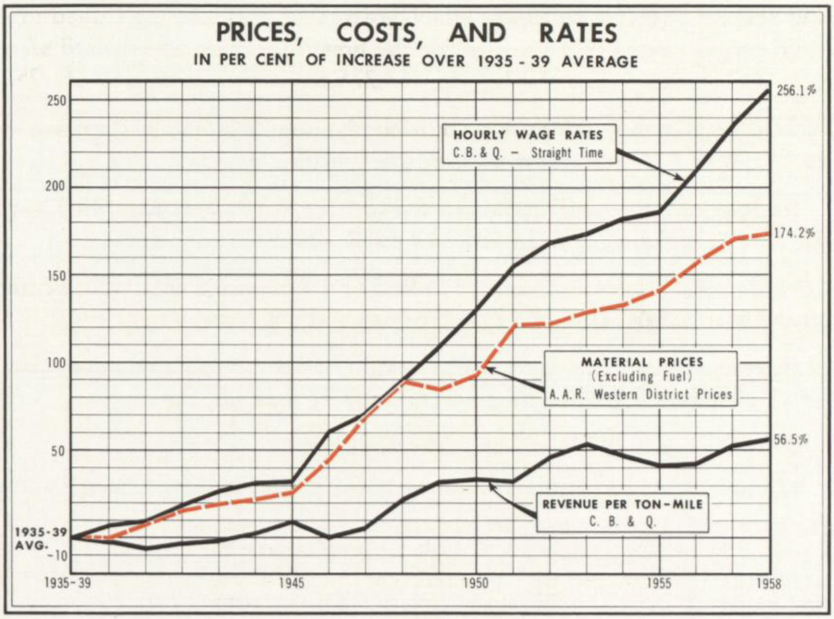
Total operating expenses amounted to $200,263,598, a decrease of $5,315,495 or 2.59 per cent as compared with 1957.

Railway taxes totaled $26,437,539 as compared with $25,735,375 in 1957, an increase of $702,164 or 2.73 per cent.

Net income for the year was $19,491,732 as compared with $17,182,612 in 1957, an increase of $2,309,120 or 13.44 per cent.



The upward trend of wages and material costs of the past several years continued in 1958 at a greater pace than transportation charges, notwithstanding upward rate adjustments in the past few years. Improved facilities and tight control of costs are always necessary to help offset these mounting outlays.



During the year 1958, gross improvements to property were made totaling $29,428,678. During the past ten years, gross capital expenditures for improvements have amounted to $337,937,804, an average of $33,793,780 per year.

Capital Expenditures by years 1949–1958, inclusive

	Gross		Retirements		Net	
Year	Road and General	Equipment	Road and General	Equipment	Road and General	Equipment
1949	$ 9,256,970	$ 19,161,939	$ 2,645,945	$ 3,677,817	$ 6,611,025	$ 15,484,122
1950	12,351,007	22,524,912	2,591,619	6,380,550	9,759,388	16,144,362
1951	8,647,919	21,080,167	2,701,451	7,575,134	5,946,468	13,505,033
1952	18,567,860	21,193,836	3,933,614	7,049,231	14,634,246	14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
1955	5,390,690	19,825,370	6,466,453	6,502,707	Cr. 1,075,763	13,322,663
1956	16,466,228	14,871,156	7,077,988	3,469,423	9,388,240	11,401,733
1957	23,942,890	22,474,055	5,456,775	6,680,908	18,486,115	15,793,147
1958	8,232,334	21,196,344	6,165,355	3,078,413	2,066,979	18,117,931
Total	$125,365,867	$212,571,937	$45,980,283	$63,920,572	$79,385,584	$148,651,365

FREIGHT TRAFFIC

The Burlington's freight volume declined below the preceding year's level in the early months of 1958, reflecting the nationwide recession which started in 1957. However, carloadings turned upward in September 1958 as a result of a heavy movement of grain, and the beginning of the general business recovery.

The improvement during the last four months of the year enabled the railroad to end the year with carloadings only slightly below the 1957 total. Grain loadings in 1958 were substantially higher than a year earlier, owing to record crop production in Burlington states.

Freight revenue for 1958 amounted to $213,055,729 as compared with $212,715,213 in 1957, an increase of $340,516 or 0.16 per cent.

Carloads of revenue freight handled in 1958 were 1,333,315 as compared with 1,359,116 in 1957, a decrease of 25,801 or 1.90 per cent.

Revenue tons carried in 1958 were 47,607,839 as compared with 47,131,182 in 1957, an increase of 476,657 or 1.01 per cent.

Revenue ton miles decreased 2.19 per cent.

Revenue per ton mile increased from 1.364 cents in 1957 to 1.396 cents in 1958 or 2.35 per cent.

Average distance hauled in 1958 was 320.50 miles as compared with 330.99 in 1957.

Average load per car of carload freight was 36 tons as compared with 34 tons in 1957, an increase of 5.88 per cent. The average load in 1940 was 31 tons.

Source of Freight Revenue

	1958 Revenue*	Per Cent of Total	Per Cent Change from 1957	
			Increase	Decrease
Products of Agriculture	$ 58,640,987	25.55	17.36	
Animals and Products	16,921,496	7.38		5.88
Products of Mines	33,442,961	14.58		6.05
Products of Forests	14,516,589	6.33	11.05	
Manufactures and Miscl.	87,404,660	38.10		6.11
Forwarder Traffic	11,321,710	4.93		5.77
Less Carload Freight	7,191,274	3.13		8.24
Total	$229,439,677	100.00		.05

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $213,055,729.

A 50-foot, 70-ton Damage-Free box car, in the distinctive new Chinese red color. The Burlington has a total ownership of 352 DF box cars.

Burlington
C B & Q
19516
DF
Burlington Route
WAY OF
THE ZEPHYRS

Burlington
Burlington Route
WAY OF
THE ZEPHYRS

The "Super-Jumbo" covered hopper car, which has a capacity of 3,219 cubic feet. The Burlington was the first railroad to receive this type of car and now has 100, with 100 more of still larger capacity on order.

A new covered hopper car of 1,958 cubic foot capacity—one of 1,724 covered hoppers of this size owned by the railroad.

Burlington
Burlington Route
C B & Q

FREIGHT RATES

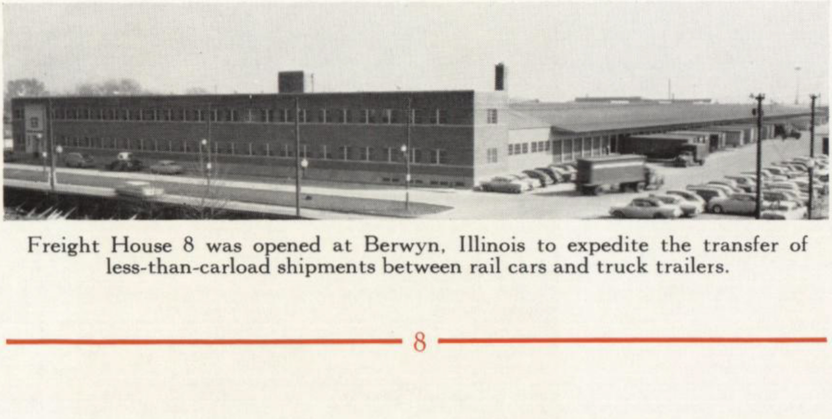
During 1958 intensified efforts were made to increase revenues through added volume of traffic so as to avoid the necessity for additional rate increases. The Ex Parte 212 increase effective February 15, 1958 on a temporary basis was made permanent in September 1958. It is estimated that this increase amounted to approximately 1.8 per cent for Burlington traffic and services.

During the year some rates were reduced to meet the competition of other modes of transportation.

Trailer-on-flat-car adjustments have proved to be a very productive source of new or regained traffic for CB&Q. New proposals are constantly being issued to establish rates where it appears that profitable traffic can be secured or recovered.

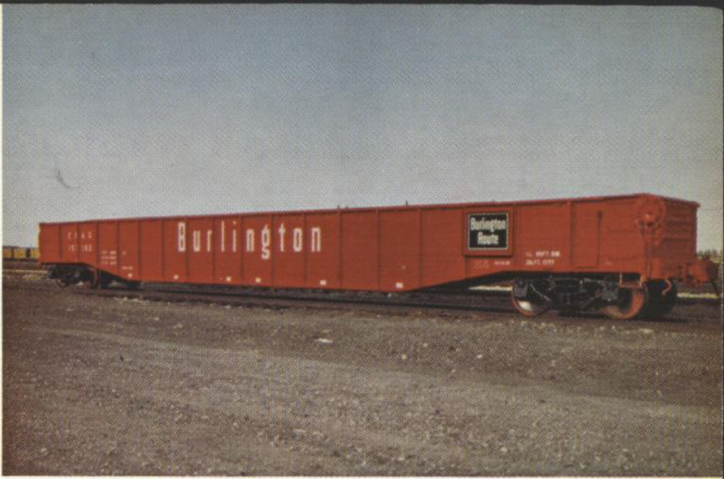
In 1958, the Burlington, in common with other carriers, launched a new form of trailer-on-flat-car policy under which all-freight rates in dollars and cents per flat car (generally two trailers per flat car) were published. In some cases these rates require the shippers to furnish the trailers but not the flat cars and in other instances require the shippers to furnish both trailers and flat cars. Rates of this nature requiring the shipper to furnish both trailer and flat car are now in effect and used extensively between Chicago and California points by freight forwarders with gratifying results. Similar rates were published between Chicago and the Pacific Northwest but due to opposition from the trucking industry these rates, along with numerous others, were suspended and are now under investigation by the Interstate Commerce Commission.

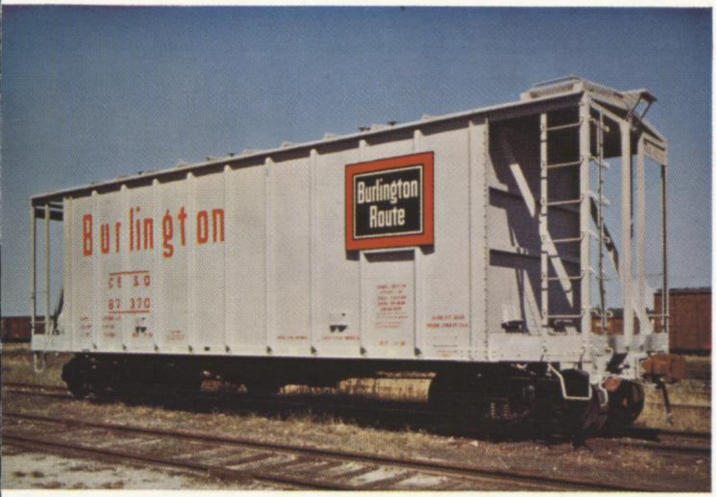
I.C.C. Docket 31503, involving divisions between Official and Transcontinental Territories, and I.C.C. 31627, involving divisions between Official and Western Trunk Line Territories, are still before the Commission. Hearings have not yet been completed in the former case and nothing has been done with respect to the latter. Consequently, there is no prospect of early decisions.



Freight House 8 was opened at Berwyn, Illinois to expedite the transfer of less-than-carload shipments between rail cars and truck trailers.

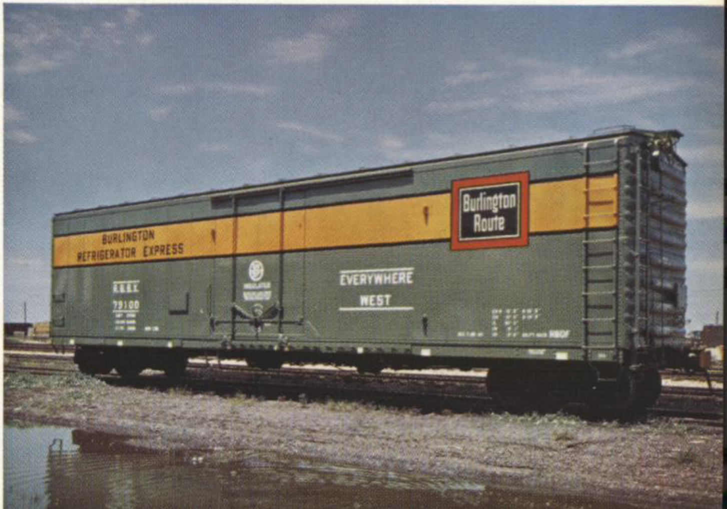
A 65-foot mill type gondola car in Chinese red with newly designed display lettering and reflective trademark. There are 229 of these gondolas in the Burlington fleet.


Burlington
Burlington Route


Burlington
Burlington Route
CB&Q
87370

More Airslide covered hopper cars, of the type shown here, were acquired in 1958, bringing ownership to a total of 377.

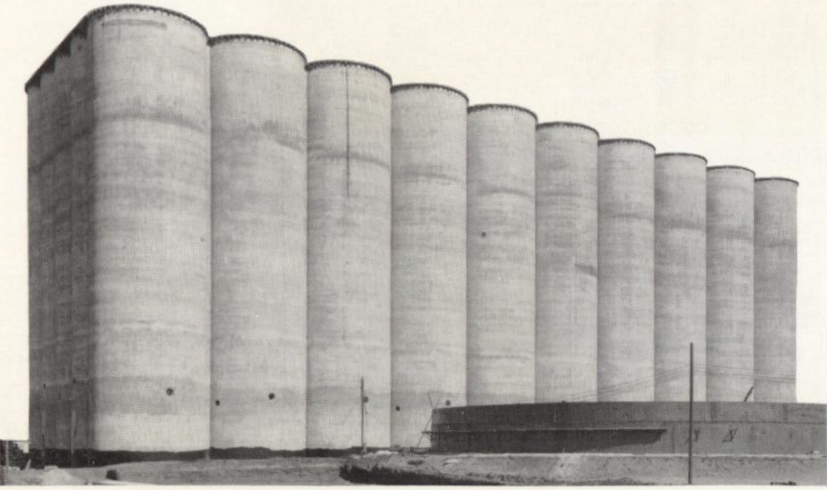
An insulated boxcar with Damage-Free loading devices and a capacity of 132,000 pounds. The Burlington owns 200 of these cars.


BURLINGTON
REFRIGERATOR EXPRESS
Burlington Route
EVERYWHERE
WEST
79100

AGRICULTURE AND LIVESTOCK

Production of major farm crops was unusually high in Burlington territory in 1958. Notwithstanding government acreage restrictions, winter wheat production increased 84 per cent over 1957 due to a very favorable growing season, and was 50 per cent higher than the ten-year average of 1947-56. Corn production was up 7 per cent from the excellent crop of 1957 and 23 per cent above the ten-year average. Other increases in production compared with 1957 were soybeans 18 per cent, sorghum grains 13 per cent, potatoes 21 per cent, oats 8 per cent, and barley and hay 10 per cent each. Production of sugar beets about equaled 1957 and was 26 per cent above the ten-year average. Burlington benefited by a relatively heavy movement of old grain, prior to the 1958 harvest, and this also made available storage for the new crop. At year end, wheat in storage in states served by Burlington was 34 percent greater than in 1957. Corn storage was up 5 per cent, oats 11 per cent, and barley 13 per cent.

The acreage of wheat seeded in the fall of 1958 for harvest in 1959 was 1.4 per cent under the 1957 plantings. While additional moisture was needed at close of 1958 in parts of Nebraska, Kansas, and Texas, the crop prospects are reported to be average or better. Carry-over of irrigation water in storage was very much greater than usual in Nebraska and Wyoming and more than normal in Colorado. With average snowfall during the early months of 1959, irrigation water should prove ample for 1959 crop requirements.



Part of the new 7,000,000-bushel grain storage facility of Garvey Elevators, Inc., now being erected at Hastings, Nebraska.

Abundant feed supplies in range areas have resulted in increased breeding herds in our territory. The number of cattle on feed in Burlington states at close of 1958 was 8 per cent greater than last year, with principal increases in Colorado, Nebraska, and Iowa. Sows on farms and ranches for farrow in the spring of 1959 indicate an increase of 13 per cent in hogs ready for slaughter during the late summer and fall of 1959. All livestock is reported to be in good condition.

INDUSTRIAL DEVELOPMENT

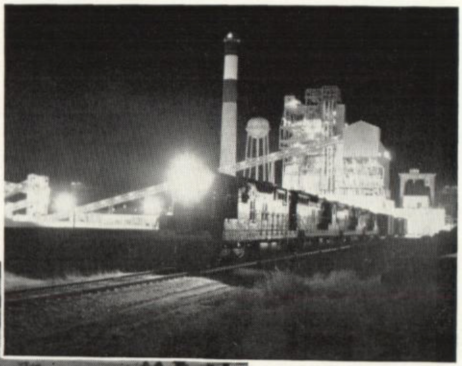
During the year, 618 new industrial leases were issued on land owned by Burlington. Nine industries purchased CB&Q-owned land on which to erect new plants and sixteen new industries located on other lands available to our service, making a total of twenty-five new industries that have purchased sites served by CB&Q trackage. Exclusive of grain facilities, sixteen industries served by the Burlington expanded their plants during the year. Forty-two new industrial tracks or track extensions were built and four temporary contractors' tracks were installed.

Grain and elevator concerns were especially active in construction of new and expanded storage facilities. During 1958, storage for 59,695,271 bushels was built on CB&Q trackage and off-track storage for 17,602,568 bushels was built in communities served by CB&Q.

A 40-acre site adjacent to Rock Falls-Sterling, Illinois, was purchased for development as an industrial site.

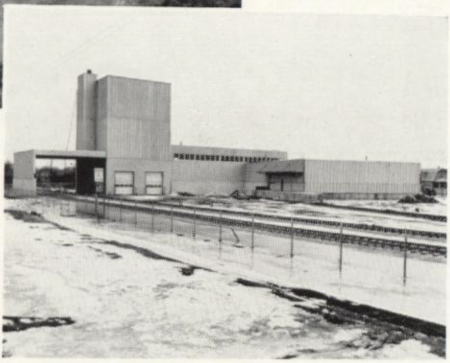
Aerial view shows extensive development of the Burlington's Colorado Boulevard Industrial District in Denver. A total of 14 plants and distribution centers employing nearly 1,000 workers have been built there in the past decade.

INDUSTRIAL DEVELOPMENT (continued)



Pacific Power & Light Company's newly completed electric generating plant at Glenrock, Wyoming receives a shipment via the Burlington.

The $13 million uranium hexafluoride plant of General Chemical Division of Allied Chemical & Dye Corporation was completed in 1958 at Metropolis, Illinois and is served by the Burlington.



Great Western Sugar Company's new bulk and liquid sugar terminal and warehouse under construction at Brookfield, Illinois. The company is an important shipper of sugar into the Chicago area via the Burlington.

PORT OF CHICAGO—St. Lawrence Seaway

It is too early to estimate with any degree of accuracy the effects of the deepened St. Lawrence Seaway on traffic of the Burlington Railroad. A number of important questions remain to be answered, such as ship rates and schedules and types of tonnage that will move through the Port of Chicago. Studies being made presently indicate that the Burlington will benefit from Chicago's development as a major port as it is believed that grain will be among the largest export commodities.

PASSENGER TRAFFIC

Three important factors enabled Burlington to continue to show good results in its passenger operations during 1958:

1—The fine standard of train service maintained between major population centers in our territory.

2—The continuing program of aggressive promotional activity in (1) retaining our regular traffic and (2) developing new and group business.

3—A careful cost-reduction program in the over-all operation of passenger service.

One effect of this program was that Burlington again increased its share of western railroads' passenger traffic for the sixth successive year in spite of the unfavorable general business conditions which prevailed throughout the early months of 1958.

Total passenger revenue in 1958 was $20,288,221, a decrease of $634,465 or 3.03 per cent under 1957. Eliminating suburban revenue (multiple-ride tickets, one-way and round-trip tickets, and cash fares), the decrease was 5.50 per cent. Revenue from all suburban fares for 1958 was $3,732,465, an increase of 9.66 per cent over 1957.

Passenger traffic in 1958 was handled with a decrease of 929,717 passenger train miles, or 8.13 per cent, compared with 1957. Total passenger car miles decreased 5,413,129 or 5.37 per cent.

Total number of revenue passengers carried in 1958 decreased 241,470 or 1.99 per cent under 1957; corresponding passenger miles decreased 2.98 per cent. Excluding suburban traffic, the number of revenue passengers carried in 1958 decreased 199,083 or 8.09 per cent; corresponding passenger miles decreased 3.75 per cent. Total suburban passengers carried in 1958 decreased 42,387 or 0.44 per cent and total suburban passengers one mile increased 0.43 per cent.

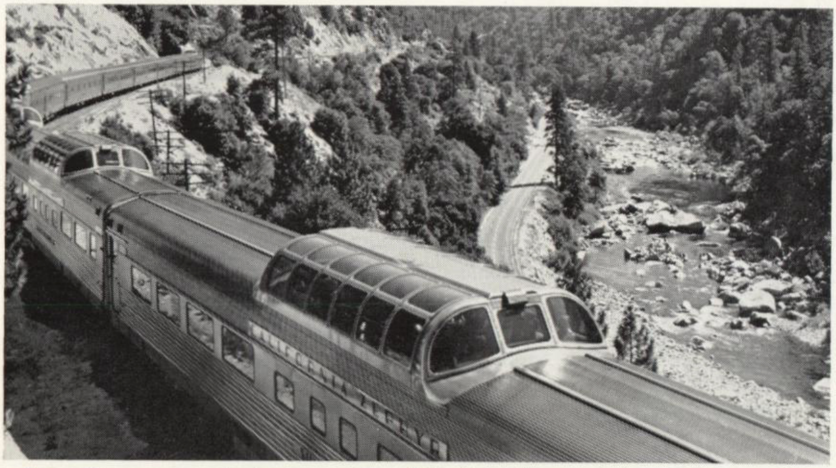
Average revenue per passenger mile was 2.352 cents in 1958 compared with 2.353 cents in 1957.

The unfavorable economic conditions which prevailed generally during the early months of 1958, coupled with a much lesser volume of Government travel and some loss of revenue account removal of certain passenger trains (see page 16), were largely responsible for the decrease in both traffic volume and revenue. The decrease in suburban passengers is accounted for by curtailment of work days and shifts in several industrial plants having employes using our suburban service. The increase in passenger miles reflects the gradual extension of the suburban residential area.

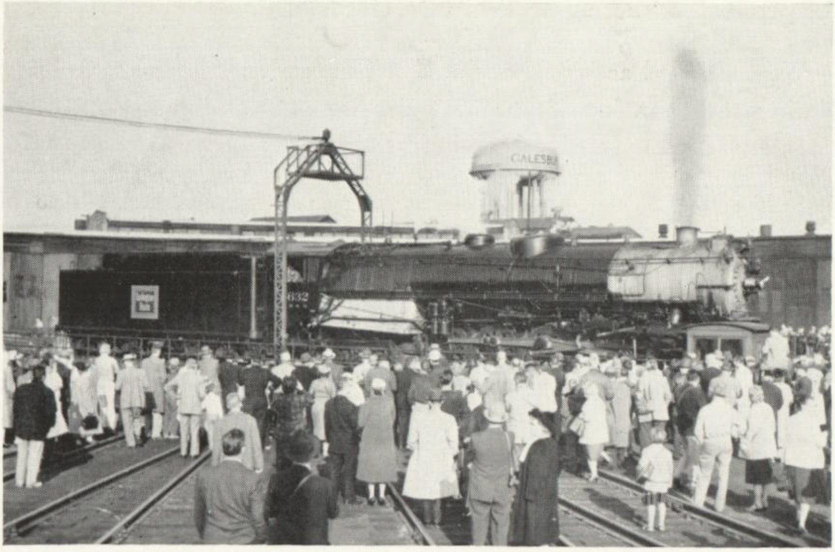
Passengers enjoy the comfort of the lounge in one of the Denver Zephyr's Vista-Dome cars.

Vista-Dome Denver Zephyr and Slumbercoach

The total number of through passengers carried between Chicago and Denver on the Vista-Dome Denver Zephyrs during 1958 was 98,286, an increase of 1,840 over 1957, or 1.91 per cent. The total number of revenue passengers handled on the Vista-Dome Zephyrs between all points Chicago-Denver was 214,756, an increase of 5,675 or 2.71 per cent. Slumbercoach passengers handled during 1958 were 36,944, an increase of 1,196 over 1957, or 3.35 per cent, with an average of 33.6 passengers per car trip compared with 31.3 in 1957.



Vista-Dome cars afford passengers a full view of spectacular scenery as the California Zephyr rounds a curve in the Feather River Canyon.



Railfans inspect one of the Burlington's remaining steam engines at Galesburg, Illinois, during one of the special "iron horse" tours operated by the railroad in 1958.

PASSENGER RATES

The only change in passenger rates on Burlington during the year was an increase of 15 per cent, effective July 1, 1958, in all one-way, round-trip, and multiple-ride commutation ticket fares in the Chicago suburban district.

MAIL

Our 1958 revenue for transporting mail for the Post Office Department was $11,265,828, an increase of $192,127 or 1.74 per cent as compared with 1957.

EXPRESS

Express income for 1958 was $2,968,050 compared with $3,051,731 for 1957, a decrease of $83,681 or 2.74 per cent. The petition which was filed with Interstate Commerce Commission on July 24, 1957, for authority to generally increase express rates and charges by 15 per cent (with some exceptions) was not acted on until October 13, 1958, with new rates and charges being permitted to become effective November 11, 1958, on interstate and November 28, 1958, on intrastate traffic. Another application was filed on November 20, 1958, for a general increase of 3.5 per cent (also with some exceptions) to become effective January 1, 1959, which was suspended by the Commission.

Unprofitable Passenger Train Service

We continued active in our study of unprofitable passenger service during the year. The following trains were discontinued or merged, effecting an annual saving of 914,258 train miles:

Trains 11-19 and 12-6—Chicago-Omaha—Daily Nebraska Zephyr trains 11 and 12 and the Coloradoan trains 19 and 6 were merged between Chicago and Omaha effective February 1, 1958—with annual train miles saving of	362,080
Trains 21 and 20—Omaha-Lincoln—Daily trains 21 and 20 between Omaha and Lincoln were merged with other trains effective February 1, 1958—with annual train miles saving of	40,150
Trains 15 and 16—Wymore-Oxford—Six-day per week motor trains 15 and 16 between Wymore and Oxford were discontinued effective March 2, 1958—with annual train miles saving of	108,298
Trains 43 and 12—St. Louis-Burlington—Daily trains 43 and 12 between St. Louis and Burlington were discontinued effective April 27, 1958—with annual train miles saving of	158,410
Suburban Trains—Chicago-Aurora—Two Saturday and Sunday suburban trains between Chicago and Aurora were discontinued in each direction effective April 27, 1958—with annual train miles saving of	15,808
Trains 43 and 42—Kansas City-St. Joseph—Daily trains 43 and 42 between Kansas City and St. Joseph were discontinued effective August 3, 1958—with annual train miles saving of	46,720
Trains 45 and 52—Savanna-St. Paul-Minneapolis—Daily except Saturday trains 45 and 52 between Savanna and Minneapolis were discontinued effective September 28, 1958—with annual train miles saving of	182,792
Total	914,258

Hearings have been held before state regulatory commissions looking toward discontinuance of Trains 30 and 31 between Creston and St. Joseph and Trains 147 and 148 between Rock Island and Savanna. Decisions are expected in the near future. Other trains are under intensive study for handling during 1959.

During 1958 curtailments were made in dining, sleeping car, coach, and head-end car operations on various trains, without impairment of service, all of which had a part in the reduction of 5,413,129 passenger car miles.

OPERATIONS

Total operating expenses for 1958 decreased $5,315,495 or 2.59 per cent, while operating revenues decreased only 0.11 per cent.

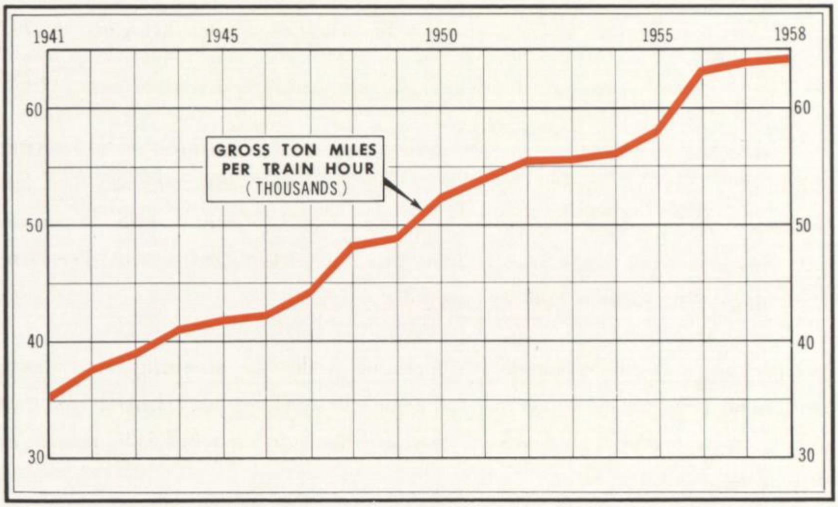
Maintenance of Way and Structures expenses, excluding depreciation and retirements, decreased $6,509,723 or 19.06 per cent under 1957. 216,041 new creosoted cross ties were placed in track and 335,247 cubic yards of ballast were applied. There was no new rail program work in 1958. Approximately 50 miles of road, yards and sidings were relaid with second-hand rail.

Maintenance of Equipment expenses, excluding depreciation and retirements, increased $457,605 or 1.37 per cent over last year. Equipment was currently maintained and, in addition, 1,175 freight cars were given heavy repairs.

Transportation expenses decreased $604,486 or 0.59 per cent under last year.

The operating ratio—relation of total operating expenses to operating revenues—was 77.61 as compared with 79.59 in 1957. The transportation ratio was 39.37 compared with 39.56 last year. Maintenance of way and structures was 12.99 as compared with 15.42, and maintenance of equipment 17.78 as compared with 17.34.

Gross ton miles per train hour increased from 63,813 in 1957 to 64,104 or 0.46 per cent. The increase during the past several years is shown in the following chart.



IMPROVEMENTS

Capital expenditures in 1958:

	Gross	Retirements		Net
Road	$ 8,228,738	$ 5,859,064		$ 2,369,674
Equipment	21,196,344	3,078,413		18,117,931
General	3,596	306,291	Cr.	302,695
Total	$29,428,678	$ 9,243,768		$20,184,910

Major improvements completed during the year:

Road

Modern automatic classification yard at Cicero, Illinois, with electronically controlled retarders and modern switching and signaling equipment.

This improvement provides greatly accelerated movement of cars and reduces switch engine requirements. The average car moves through the terminal about 3½ hours faster than before this installation.

Facilities for maintenance and servicing of Diesel locomotives at Lincoln, Nebraska.

This installation results in more economical servicing of Diesel locomotives between assigned runs and permits extending the pool of Diesel locomotives to Lincoln.

Construction of additional grain and car storage yard at Lincoln.

This facility provides more space for grain storage and inspection, with improved efficiency in handling grain to and from various grain elevators at Lincoln.

Construction of Freight House No. 8 at Berwyn, Illinois.

This improvement permits faster and more economical handling of less carload freight than was possible through the Harrison Street Freight House.

Construction of Freight House No. 11 at Western Avenue, Chicago.

This improvement provides increased facilities for expeditious handling of additional forwarder business, which in turn produces substantial line-haul revenue for Burlington.

Consolidation of freight handling facilities at Omaha, Nebraska.

This improvement permits the handling of freight at a more economical cost.

Signaling

Installation of centralized traffic control at Burlington, Iowa, and automatic highway crossing protection at eight street crossings.

This improvement permitted retirement of Wood Tower interlocking plant and provides centralized traffic control operations from Connett, Illinois, Milepost 202.4 east of the Mississippi River, to Milepost 206.8 west of Burlington, with safer and faster movement of traffic.

Major improvements completed: (continued)

Extension of centralized traffic control from La Vergne to and including Congress Park, Illinois.

This eliminated operators at Congress Park and provides reverse current signaling on tracks 1 and 3 between La Vergne and Congress Park.

Installation of remote control interlocking at Fairview Avenue, Downers Grove, Illinois.

This installation provides faster and safer operation of trains.

Extension of centralized traffic control to include Knox Street, Galesburg, Illinois.

This eliminated operators at Knox Street.

Installation of remote control yard switches at the east end of Classification Yard, and broken flange detector near crest of Hump, Cicero, Illinois.

This improvement saves operating time and provides additional safety measures.

New highway grade crossing protection at 25 new crossings and modernizing 6 existing installations.

This eliminated 22 watchmen positions.

Major improvements under construction:

Road

Consolidation of terminal facilities at St. Joseph, Missouri, for servicing and maintenance of Diesel locomotives.

All unnecessary buildings are being retired and remaining facilities consolidated to provide more economical operations, reduce heating expense, maintenance, etc.

Consolidation of shop facilities, Aurora, Illinois.

Rearrangement of various facilities and retirement of some old frame buildings, all of which will result in adequate and more economical operations.

Construction of new station facilities at St. Joseph, Missouri.

Burlington is the only remaining line in the old union depot, which is to be abandoned to reduce operating and maintenance costs. A modern and much smaller station, sufficient for present and anticipated future needs, is being constructed by Burlington.

Major improvements under construction: (continued)

Signaling

Installation of cab signaling, including equipment in locomotives.

Installation on locomotives is complete and system is in service from Union Avenue, Chicago, through Aurora and Savanna, Illinois, including centralized traffic control from Union Avenue, Chicago, to Congress Park. Work is now under way between Congress Park and Downers Grove, Illinois, which will provide reverse current running on tracks 1 and 3 between Congress Park and Downers Grove.

Installation of centralized traffic control between Kansas City and Napier, Missouri, including installation through St. Joseph, Missouri.

This will eliminate second track mileage and reduce maintenance.

Installation of centralized traffic control between Waterman and Bushnell, Illinois, to provide increased operating capacity.

Installation of two sets of dragging equipment detectors; one set at Burlington, Iowa, and one set at Plattsmouth, Nebraska.

Equipment placed in service

Built in Company Shops:

90—52′6″ 70-ton all steel mill type gondola cars.
1500—40′6″ 50-ton all steel box cars.
100—50′6″ 70-ton all steel roller bearing D.F. insulated box cars.
350—29′3″ 70-ton all steel covered hopper cars.
50—65′6″ 70-ton all steel mill type gondola cars.
1—72′3″ 150-ton depressed steel flat car.

Purchased:

75—29′6″ 50-ton all steel airslide covered hopper cars.
29—29′6″ 70-ton all steel airslide covered hopper cars.
100—41′0″ 70-ton all steel covered hopper cars (3,219 cu. ft. capacity).

Equipment on order, delivery expected in 1959

To be Built in Company Shops:

100—40′6″ 50-ton all steel roller bearing D.F. box cars.
600—40′6″ 50-ton all steel roller bearing box cars.
100—50′6″ 70-ton all steel roller bearing D.F. insulated box cars.
100—52′6″ 70-ton all steel roller bearing gondola cars with movable roofs and bulkheads.
50—53′6″ 50-ton all steel roller bearing flat cars with movable bulkheads.
500—40′8″ 70-ton all steel roller bearing open top hopper cars.
30—all steel waycars.

To be Purchased:

16—2400 h.p. SD-24 Diesel-electric road-freight units.
41—29′6″ 70-ton all steel airslide covered hopper cars.
100—40′9″ 70-ton all steel covered hopper cars (3,500 cu. ft. capacity).

LINE ABANDONMENTS

As a part of our continuing study of the present and expected future use and earnings of various branch lines, applications for abandonment were filed with the Interstate Commerce Commission, and after scheduled hearings, authorities were received from the Commission during 1958 for abandonment of 74.14 miles as follows:

Between	Mileage
Centerville and Corydon, Iowa	26.53 miles
Galva and Nekoma, Illinois	6.86 "
Clarinda and Northboro, Iowa	17.50 "
Roseville and Gerlaw, Illinois	18.45 "
Burgess Junction and Baker, Illinois	4.80 "
Total	74.14 miles

Other applications are pending before the Commission.

LABOR

Cost-of-living provisions of agreements with labor organizations required an upward adjustment of four cents an hour effective May 1, 1958, and an additional one cent an hour effective November 1, 1958. In addition, the aforementioned agreements also generally provided for a third-year increase of seven cents an hour in basic rates effective November 1, 1958. Yardmen on the CB&Q, elected to make the paid holiday provisions of the National Agreement effective November 1, 1957, which means this class of employe received five cents an hour for the third-year increase effective November 1, 1958. The above increases in wages will result in additional yearly payroll expense on the CB&Q of approximately $6,313,000.

The moratorium provisions of agreements which were made in 1956-1957 with all operating and non-operating labor organizations, which prohibit the initiation or progression of demands for compensatory rule changes or initiation of demands for general wage increases which contemplate an effective date prior to November 1, 1959, expire on November 1, 1959. It is certain that demands will be received from all labor organizations covering requests for increased compensation as soon as such demands are permitted under the aforesaid agreements.

SAFETY AWARD

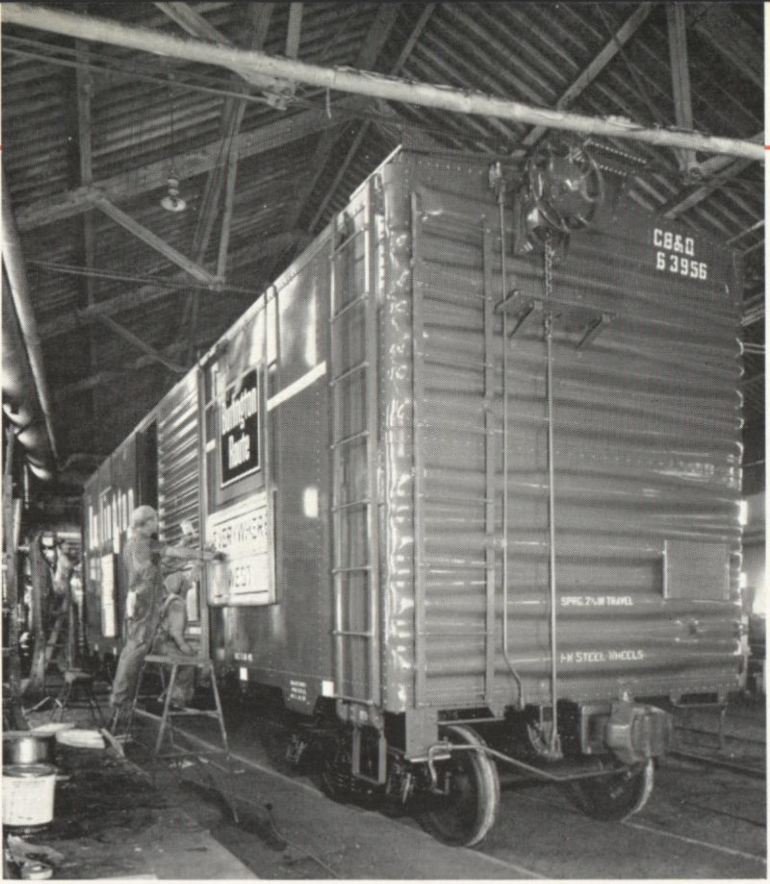
The National Safety Council's Public Safety Activities Award was conferred on the CB&Q during the year in recognition of its "outstanding public safety program for the employes and general public." *This is the third time in four years the road has been so honored.*

New Freight Cars in 1958

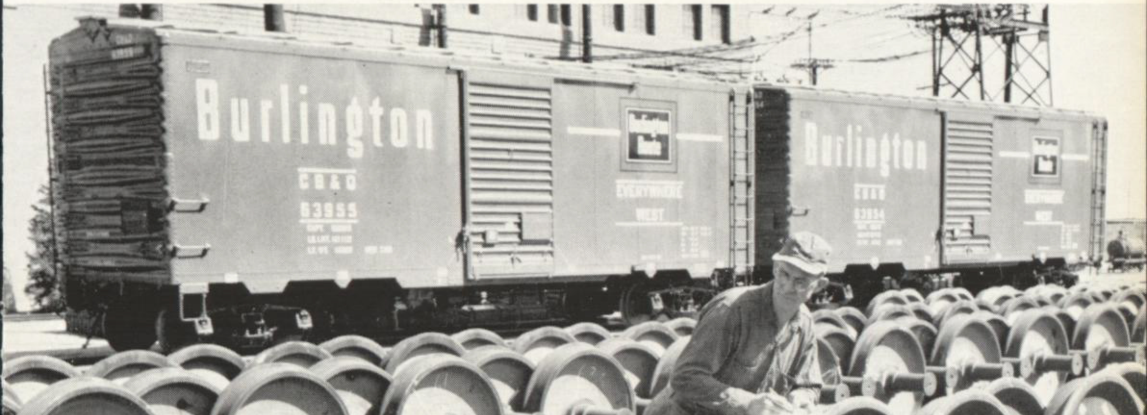
The Burlington kept its shops operating throughout 1958 and had a particularly active year in the construction of new freight cars. In all, 2,176 new freight cars, including 1,500 boxcars with newly designed display lettering on a Chinese red background, were built in the Havelock Shops at Lincoln, Nebraska. Approximately 1,200 existing cars received heavy repairs there. The 1959 schedule at Havelock calls for heavy repairs to about 4,700 cars, of which 2,500 are steel boxcars, and construction of 1,480 new cars of various types (in addition to 141 to be purchased from outside sources). An average of only 2.9 per cent of the Burlington's boxcars, 0.9 per cent of its covered hoppers and 3.5 per cent of its total fleet of more than 44,000 freight cars were out of service for repairs last year, giving the railroad one of the lowest bad-order ratios in the industry.

Workmen at Havelock bolt the side panels to the underframe from the inside as a new boxcar begins to take shape.

Outside the "shell" of the car, the side panels are fastened after being lowered by crane.



As a final step on the Havelock assembly line, the completed boxcar is painted and the familiar "Everywhere West" slogan stenciled on the side.



Newly painted boxcars dry outdoors in the sunshine as a workman checks over the wheel and axle assemblies destined for cars yet to be built.

FINANCIAL

During 1958 capital liabilities of the Company increased $1,136,469:

	Increase	Decrease	Net
Funded Debt	$ —	$ 4,371,000	$ 4,371,000 Decrease
Equipment Obligations	15,450,000	9,942,531	5,507,469 Increase
Total	$15,450,000	$14,313,531	$ 1,136,469 Increase

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1958, the ninety-seventh consecutive year in which the Company has paid a dividend.

TAXES

Taxes in 1958 increased $702,164 compared with 1957:

	1958	
Federal Income Taxes	$ 7,191,956	$ 901,198 Increase
Federal Railroad Retirement Taxes	6,118,625	492,420 Decrease
Federal Unemployment Taxes	2,458,639	344,136 Increase
State, and Miscellaneous Government Taxes	11,634,060	358,633 Increase
	$27,403,280	$1,111,547 Increase
Federal Income Taxes credited to Retained Income	965,741	409,383 Increase
Total	$26,437,539	$ 702,164 Increase

Total taxes in 1958 amounted to 10.25 per cent of total operating revenues, equivalent to $15.48 per share of capital stock.

Amortization and Accelerated Depreciation

Beginning in 1950 the portion of the cost of certain facilities (principally diesel locomotives and freight-train cars) certified by the Office of Defense Mobilization as being necessary to national defense has been amortized for tax purposes over a period of sixty months, in accordance with applicable provisions of the Internal Revenue Code, and Regulations. By order of the Interstate Commerce Commission dated December 21, 1951, depreciation for this same property must be included in the stated income account under the straight-line method, that is, spread equally over the years of the expected normal life of the property. The following is the approximate effect of this handling:

	1958	Since January 1, 1950
Amortization deductions	$12,027,964	$77,798,004
Excess of amortization over I.C.C. depreciation	$ 8,402,104	$59,985,668
Reduction in income taxes, and increase in net income	$ 4,369,094	$31,086,876
Effect per share of stock	$ 2.56	$ 18.20

Assuming no decrease in income tax rates, the tax reduction represents tax deferment rather than a tax saving, since after the expiration of the amortization period, the depreciation recorded in the stated income accounts for the amortized portion of these facilities will not be deductible for income tax purposes. Therefore, income taxes will be greater than they would have been if the accelerated amortization had not been allowed and stated income will be decreased a like amount. The granting of necessity certificates was discontinued by the Office of Defense Mobilization as of December 31, 1955, except for certain property ordered or authorized prior to January 1, 1956.

Effective with 1954 the Internal Revenue Service has allowed, for tax purposes, deductions for depreciation computed on methods which accelerate the write-off during the early life of the property. New diesel locomotives and passenger train cars have been depreciated on the sum-of-the-years-digits method and new freight train cars, work and miscellaneous equipment, and road property acquisitions on the declining balance method. Depreciation on this property has been included in the stated income account on the straight-line method spread equally over the expected normal life. The following is the approximate effect of this handling:

	1958	Since January 1, 1954
Accelerated depreciation deductions	$3,902,650	$9,923,917
Excess of accelerated depreciation over I.C.C. depreciation	$1,855,354	$4,653,498
Reduction in income taxes and increase in net income	$ 964,784	$2,419,819
Effect per share of stock	$ 0.56	$ 1.42

This tax reduction also represents tax deferment rather than a tax saving.

EMPLOYE BENEFITS

Payments to employes by the Relief Department in 1958 for disability and death claims amounted to $851,438 as compared to similar payments of $797,096 in 1957, an increase of $54,342 or 6.82 per cent.

During 1958 Burlington paid Federal taxes amounting to $6,118,625 under the Railroad Retirement Act of 1937 for employes' disability and old-age pensions, and employes paid a like amount. Similar payments in 1957 were $6,611,045, a decrease in 1958 of $492,420 or 7.45 per cent. The decrease was due to reduced employment in 1958.

In addition, Burlington paid Federal Unemployment Insurance taxes aggregating $2,458,639. This tax is borne wholly by the company, that is, employes make no contribution for this expense. Like payments in 1957 were $2,114,503, an increase in 1958 of $344,136 or 16.28 per cent. The greater payment in 1958 was due to an increase effective January 1, 1958 of one half per cent in the rate of the tax, that is, from 2 per cent to 2½ per cent. The rate of tax is fixed by law and is based on the amount in the fund September 30 of each calendar year. Because the balance in September 1958 dropped below $250,000,000, the rate was automatically adjusted to 3 per cent effective January 1, 1959. This will result in increased payments in 1959 of approximately $500,000 based on normal employment. The rate for 1959 of this increasingly burdensome tax is six times the 1955 rate.

FEDERAL LEGISLATION

The railroad industry was encouraged by enactment by Congress, on August 12, 1958, of the Transportation Act of 1958, and by repeal of the Federal Excise Tax of 3 per cent on freight charges, effective August 1, 1958. These measures received overwhelming support, not only in the Senate and the House of Representatives, but also in the nation's press and from the public generally.

The Transportation Act of 1958 includes provision for:

(1) A new rate-making rule under which rates of a carrier are not to be held to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the national transportation policy objectives.

(2) Authority in the Interstate Commerce Commission over the discontinuance or change of operations of unprofitable passenger trains, in both interstate and intrastate service—a function formerly exercised exclusively by state regulatory bodies.

(3) Guaranteed loans to railroads in serious financial condition.

(4) A more effective procedure for prompt adjustment by the Interstate Commerce Commission of intrastate rates found to be unduly low.

(5) Some limitation of the number and types of commodities, the movement of which by truck is unregulated under the "agriculture exemption" provisions of the Interstate Commerce Act, and restoration of certain commodities to such regulation.

(6) Prohibition of for-hire transportation performed under the guise of private transportation, in order to escape economic regulation.

(7) A more complete and clear definition of the circumstances and limitations under which contract carriers by motor vehicle may perform service, together with requirements for filing actual rather than minimum rates by contract carriers.

These changes will be helpful in removing some of the handicaps which confront the railroad industry in its competitive efforts.

Among the still urgent problems of national transportation policy which need attention are the following:

(1) Railroads still are required to help pay for highways, airways, airfields, and waterways, but do not have the same opportunity as other taxpayers to use these facilities for a business purpose.

(2) Fully self-supporting, tax-paying railroads still are unfairly handicapped by having to meet competition that is tax-supported.

(3) A 10 per cent travel tax imposed in World War II to discourage use of public carriers, unfairly continues to do just that—14 years after the end of the war.

(4) Railroads must continue to bear the full cost of unemployment insurance benefits for employes that far exceed benefits under programs covering other workers.

(5) Railroads still are deprived of equal opportunity to share in transporting agricultural commodities, which when transported by motor carrier are exempt from regulation by the Interstate Commerce Commission.

(6) Vitally needed modernization of railroads continues to be frustrated by unsound policies governing depreciation of plant and equipment.

BURLINGTON TRUCK LINES, INC.

Burlington Truck Lines, Inc., a wholly-owned subsidiary, had net income of $779,645 in 1958 as compared with $491,494 in 1957, an increase of $288,151. The 1958 net income includes $279,668 covering refund received for adjustment of Federal income taxes for 1955.

Operating revenues were $13,819,867, an increase of $1,308,996 or 10.46 per cent over 1957.

Operating expenses were $12,283,558, an increase of $1,348,099 or 12.33 per cent over 1957.

Truck miles operated over an average of 5,996 route miles were 15,401,052, an increase of 363,036 or 2.41 per cent.

Units of revenue freight equipment owned as of December 31, 1958, compared with December 31, 1957, were as follows:

	1958	**1957**
Trucks	160	160
Truck-tractors	423	393
Semi-trailers	1,584#	1,351*

#Includes 84 under lease.

*Includes 26 under lease.

Burlington Truck Lines, Inc., is performing the pick-up and delivery service for the CB&Q at 48 points.

Trailer-on-flat-car (piggy-back) business continues to grow. During 1958, approximately 27,750 loaded trailers (rail and truck) moved. This compares with about 15,700 such loads in 1957 and 10,500 in 1956.

During the year, Hobby Truck Lines (36 route miles in Iowa and western Illinois) and Love Transfer (77 route miles between Kansas City and St. Joseph, Missouri) were acquired on permanent authority granted by the Interstate Commerce Commission.

Acquisition of Arrow Freight Lines (825 route miles) with operating rights in Nebraska is still pending before the Interstate Commerce Commission. Decision is expected in 1959.

Negotiations are still in progress for purchase of a route between Aurora and Chicago, Illinois, with acquisition expected in 1959.

BURLINGTON
BURLINGTON
5790

BURLINGTON
6005

Above—Growth of the piggyback service is typified by this train carrying Burlington Truck Lines trailers on flatcars as it passes Aurora, Illinois en route from the Twin Cities to Chicago.

At Left—BTL tractor is driven onto flatcar to pick up a newly arrived trailer at Casper, Wyoming.

CHANGES IN ORGANIZATION

Mr. Ralph Budd retired as a Director May 7, 1958. The Board of Directors adopted the following resolution April 2, 1958:

RESOLVED: That this Board express to Mr. Ralph Budd, for the Company and for each member of the Board, sincere regret upon his retirement after more than forty-one years of distinguished service as a Director of the Company.

His wise counsel and advice, given freely and, since his retirement as President in 1949, often at great personal sacrifice, have been of inestimable value to the Company and to the railroad industry which claims him as her favorite son and protagonist.

For his leadership, courage and vision throughout his association with the Company, since he first was elected a Director, October 13, 1916, this Company, the industry, and the nation, are indebted to him in a measure that can never be adequately expressed or recorded. These qualities, as well as his kindness and modesty, have inspired the utmost respect and admiration among his associates, and his fellow Directors feel a keen sense of personal loss in his decision to retire from the Board.

Few men have so fully earned the accolade of greatness. Each member of this Board, and each and every officer and employee of the Company, joins in this expression of thanks, appreciation and sincere wishes that he may continue to enjoy the health and happiness he so richly deserves.

In deference to his wishes, his decision to retire is accepted, but he is hereby designated and elected an Honorary Member of this Board and invited to attend future meetings at his pleasure and convenience.

CHANGES IN ORGANIZATION (continued)

Mr. A. D. McLane, Secretary and Assistant Treasurer, was elected a Director May 7, 1958.

The following officers retired under the Pension Rules in 1958:

- Mr. A. W. Lavidge, Vice President and Comptroller, after 53 years of service.
- Mr. L. R. Capron, Vice President-Traffic, after 55 years of service.
- Mr. Walter McFarland, Assistant General Counsel, after 36 years of service.
- Mr. Russell B. James, General Attorney, after 39 years of service.
- Mr. J. W. Killey, General Land Agent, after 39 years of service.
- Mr. L. F. Hanke, Executive Assistant, Public Relations, after 42 years of service.

Mr. R. C. Smith, General Auditor, was elected Comptroller, effective February 1, 1958, after 45 years of service.

Mr. G. R. Glover, Assistant to Vice President-Traffic, was elected Vice President-Traffic, effective July 1, 1958, after 40 years of service.

Mr. O. O. Waggener, Assistant Director, Department of Industry and Agriculture, was appointed Director, Department of Industry and Agriculture, effective January 1, 1958, after 28 years of service.

* * *

The Company acknowledges, with sincere thanks, the loyalty and efficient services of officers and employes.

By order of the Board of Directors.

H. C. MURPHY, President

Burlington Route

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 42 to 44)

Percent of Ry. Oper. Revenue	1958	Railway Operating Revenues	1957	Percent of Ry. Oper. Revenue
82.57	$213,055,729	Freight	$212,715,213	82.35
7.86	20,288,221	Passenger	20,922,686	8.10
4.37	11,265,828	Mail	11,073,701	4.29
1.15	2,968,050	Express	3,051,731	1.18
1.82	4,701,585	All other transportation	4,735,296	1.83
1.70	4,386,367	Incidental	4,466,886	1.73
.53	1,361,920	Joint facility	1,342,702	.52
100.00	258,027,700	Total railway operating revenues	258,308,215	100.00
		Railway Operating Expenses		
Operating Ratios 12.99	33,528,112	Maintenance of way and structures	39,830,000	Operating Ratios 15.42
17.78	45,882,097	Maintenance of equipment	44,775,473	17.34
2.83	7,292,624	Traffic	7,077,231	2.74
39.37	101,590,005	Transportation	102,194,491	39.56
1.37	3,537,768	Miscellaneous operations	3,747,148	1.45
3.27	8,432,992	General	7,954,750	3.08
77.61	200,263,598	Total railway operating expenses	205,579,093	79.59
22.39	57,764,102	Net revenue from railway operations	52,729,122	20.41
	7,191,956	Federal income taxes	6,290,758	
	8,577,264	Federal payroll taxes	8,725,548	
	11,634,060	All other taxes	11,275,427	
	*27,403,280	Total taxes	*26,291,733	
	30,360,822	Railway operating income	26,437,389	
	Dr. 4,271,776	Hire of equipment—Net	Dr. 3,270,215	
	Dr. 2,416,243	Joint facility rents—Net	Dr. 2,165,782	
	23,672,803	Net railway operating income	21,001,392	
		Other Income		
	1,104,840	Rentals	1,202,338	
	1,785,205	Dividends and interest	2,125,477	
	646,457	Miscellaneous	43,905	
	3,536,502	Total other income	3,371,720	
	27,209,305	Total income	24,373,112	
		Deductions from Total Income		
	31,072	Rents payable	31,625	
	137,226	Taxes on nonoperating property	150,143	
	180,049	Miscellaneous income charges	81,460	
	348,347	Total deductions	263,228	
	26,860,958	Income available for fixed charges	24,109,884	
		Fixed Charges		
	57,632	Rent for leased roads and equipment	54,375	
	7,247,259	Interest on funded debt	6,801,818	
	1,704	Interest on unfunded debt	2,572	
	62,631	Amortization of discount on funded debt	68,507	
	7,369,226	Total fixed charges	6,927,272	
	19,491,732	Net income	17,182,612	
	$12,812,902	Dividends	$12,812,902	

*See page 24—"Taxes"

GENERAL BALANCE SHEET

December 31, 1958

ASSETS

CURRENT ASSETS:		
Cash		$ 26,423,701
Temporary cash investments		20,391,341
Special deposits		1,429,123
Net balance receivable from agents and conductors		5,679,083
Miscellaneous accounts receivable		7,075,496
Interest and dividends receivable		97,885
Accrued accounts receivable		9,563,942
Working fund advances		136,230
Prepayments		102,881
Material and supplies		18,523,666
Other current assets		527,521
Total current assets		89,950,869
SPECIAL FUNDS:		
Sinking funds		1,732
Capital and other reserve funds		1,038,187
Total special funds		1,039,919
INVESTMENTS:		
Investments in affiliated companies:		
Stocks	$ 26,652,729	
All other	14,012,844	40,665,573
Other investments:		
Stocks	$ 3,124,493	
Bonds	4,111,387	
All other	1,975	7,237,855
Total investments		47,903,428
PROPERTIES:		
Road and equipment property		918,364,546
Accrued depreciation—Road and equipment	$196,507,763	
Amortization of defense projects—Road and equipment	40,506,974	237,014,737
Total transportation property less recorded depreciation and amortization		681,349,809
Miscellaneous physical property		8,767,534
Total properties less recorded depreciation and amortization		690,117,343
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets		2,118,765
Unamortized discount on long-term debt		573,976
Other deferred charges		2,962,352
Total other assets and deferred charges		5,655,093
Grand Total		$834,666,652

GENERAL BALANCE SHEET

December 31, 1958

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Traffic and car-service balances—Cr.		$ 3,111,289
Audited accounts and wages payable		9,215,502
Miscellaneous accounts payable		2,797,613
Interest matured unpaid		346,485
Unmatured interest accrued		2,341,250
Accrued accounts payable		6,343,486
Federal income taxes accrued		3,974,859
Other taxes accrued		9,108,016
Other current liabilities		7,508,934
Total current liabilities		44,747,434
LONG-TERM DEBT DUE WITHIN ONE YEAR:		
Equipment obligations and other debt		9,962,869
LONG-TERM DEBT:		
Funded debt unmatured (Page 38):		
Total issued	$166,978,000	
Held by or for company	32,117,000	134,861,000
Equipment obligations (Page 38)		78,081,153
Amounts payable to affiliated companies		872,967
Total long-term debt		213,815,120
RESERVES:		
Insurance reserves		1,392,996
Casualty and other reserves		6,676,312
Total reserves		8,069,308
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities		681,213
Unamortized premium on long-term debt		239
Other deferred credits		539,157
Accrued depreciation—Leased property		125,280
Total other liabilities and deferred credits		1,345,889
SHAREHOLDERS' EQUITY:		
Capital stock issued		170,839,100
Common stock—Par value $100 per share.		
Capital surplus		357,674
Retained income		
Retained income—Appropriated (Page 34)		48,025,460
Retained income—Unappropriated (Page 34)		337,503,798
Total retained income		385,529,258
Total shareholders' equity		556,726,032
Contingent liabilities (Page 45)		
Grand Total		$834,666,652

COMPARATIVE STATEMENT OF UNAPPROPRIATED RETAINED INCOME ACCOUNT, YEARS ENDED DECEMBER 31

	1958	1957	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$334,231,877	$329,976,817	$ 4,255,060	
Credit balance transferred from income	19,491,732	17,182,612	2,309,120	
Miscellaneous credits	965,741	1,047,948		$ 82,207
Total	$354,689,350	$348,207,377	$ 6,481,973	
DEBITS:				
Dividends	$ 12,812,902	$ 12,812,902		
Miscellaneous debits	4,372,650	1,162,598	$ 3,210,052	
Credit balance carried to balance sheet	337,503,798*	334,231,877*	3,271,921	
Total	$354,689,350	$348,207,377	$ 6,481,973	

* Approximate application of Income included in Unappropriated Retained Income as of December 31:

	1958	1957
Net working capital retained in the business	$ 45,104,262	$ 48,950,999
Invested in affiliated and non-affiliated companies	22,395,581	22,882,030
Expended in improving the Railroad plant	270,003,955	262,398,848
	$337,503,798	$334,231,877

Appropriated Retained Income of $48,025,460 (Page 33) was expended in retiring Funded Debt prior to Year 1928.

INVESTMENT IN ROAD AND EQUIPMENT
YEAR 1958

Account		Additions and Betterments
Engineering		$ 1,195
Land for transportation purposes	Cr.	416,240
Other right-of-way expenditures		1,765
Grading	Cr.	288,673
Tunnels and subways	Cr.	9,967
Bridges, trestles and culverts		146,404
Ties	Cr.	236,674
Rails	Cr.	393,370
Other track material	Cr.	228,697
Ballast	Cr.	175,830
Track laying and surfacing	Cr.	78,826
Fences, snowsheds and signs	Cr.	16,102
Station and office buildings		3,006,426
Roadway buildings	Cr.	12,802
Water stations	Cr.	541,550
Fuel stations	Cr.	198,804
Shops and enginehouses	Cr.	163,885
Communication systems		784,212
Signals and interlockers		1,039,511
Power plants	Cr.	29,022
Power-transmission systems	Cr.	32,713
Miscellaneous structures	Cr.	5,790
Roadway machines		123,977
Roadway small tools	Cr.	1,237
Public improvements—Construction		34,131
Shop machinery		68,126
Power-plant machinery	Cr.	5,891
Total expenditures for road		2,369,674
Other locomotives	Cr.	270,610
Freight-train cars		18,508,127
Passenger-train cars	Cr.	20,148
Work equipment	Cr.	167,434
Miscellaneous equipment		67,996
Total expenditures for equipment		18,117,931
General officers and clerks	Cr.	18,208
Law	Cr.	10,939
Stationery and printing	Cr.	980
Taxes	Cr.	4,933
Interest during construction	Cr.	263,721
Other expenditures—General	Cr.	3,914
Total general expenditures	Cr.	302,695
GRAND TOTAL		$20,184,910

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1958	1957
Actual miles road operated, end of year	8,687.04	8,758.45
Average mileage of road operated—Total	8,729.71	8,776.89
Average mileage of road operated—Freight Service	8,695.53	8,742.69
Average mileage of road operated—Passgr. Service	4,430.04	4,620.27
TRAIN MILES		
Freight	12,151,770	12,595,643
Passenger	10,502,055	11,431,772
Total transportation service	22,653,825	24,027,415
Work service	61,634	149,700
LOCOMOTIVE MILES		
Freight	12,435,365	12,836,575
*Passenger	10,160,440	10,967,629
Train and yard switching	6,490,178	6,731,537
Total transportation service	29,085,983	30,535,741
Work service	528,370	652,010
CAR MILES		
Loaded freight cars	533,095,169	554,991,317
Empty freight cars	309,636,853	307,523,212
Sum of loaded and empty	842,732,022	862,514,529
Caboose	11,924,256	12,016,664
Total freight cars	854,656,278	874,531,193
Coach and combination passenger cars	27,386,499	28,802,807
Sleeping and parlor	19,841,543	21,046,880
Club, lounge, dining and observation	10,281,786	10,595,848
Other	37,797,031	40,274,453
Total passenger cars	95,306,859	100,719,988
Total transportation service	949,963,137	975,251,181
Work service	393,922	1,545,836
FREIGHT SERVICE		
Tons—revenue freight	47,607,839	47,131,182
Tons—revenue and non-revenue freight	49,637,072	49,568,319
Ton-miles—revenue freight	15,258,486,643	15,600,061,500
Ton-miles—revenue and non-revenue freight	15,797,216,500	16,264,075,000
PASSENGER SERVICE		
Passengers carried—revenue	11,900,683	12,142,153
Passenger miles—revenue	862,595,422	889,102,902

*Excludes mileage of combination motor passenger cars:
1958 — 438,889
1957 — 570,276

STATISTICS OF OPERATIONS—Continued

ITEMS	1958	1957
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,397	1,441
Passenger-train miles	2,371	2,474
Transportation service train-miles	2,595	2,738
Transportation service locomotive-miles	3,332	3,479
Freight service car-miles	98,287	100,030
Passenger service car-miles	21,514	21,800
Freight revenue	$24,501.75	$24,330.64
Passenger service train revenue	$ 8,430.45	$ 8,227.10
Operating revenues	$29,557.42	$29,430.49
Operating expenses	$22,940.46	$23,422.77
Net operating revenue	$ 6,616.96	$ 6,007.72
Net railway operating income	$ 2,711.75	$ 2,392.81
Ton-miles—revenue freight	1,747,880	1,777,402
Ton-miles—all freight	1,816,706	1,860,306
Passenger-miles—revenue	98,811	101,300
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	43.87	44.06
Empty freight car-miles	25.48	24.42
Ton-miles—revenue freight	1,255.66	1,238.53
Ton-miles—all freight	1,299.99	1,291.25
Passenger train car-miles	9.08	8.81
Revenue passenger-miles	82.14	77.77
Freight revenue	$ 17.53	$ 16.89
Passenger service train revenue	$ 3.56	$ 3.33
Operating revenues	$ 11.40	$ 10.75
Operating expenses	$ 8.85	$ 8.56
Net operating revenue	$ 2.55	$ 2.19
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	28.62	28.11
Ton-miles—all freight	29.63	29.31
Freight revenue	$ .39966	$ .38328
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	18.49	18.07
Passenger revenue	$ .43485	$ .42522
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	320.50	330.99
Miles hauled—non-revenue freight	265.48	272.46
Miles hauled—all freight	318.26	328.12
Miles carried—revenue passengers	72.48	73.22
Revenue per ton of freight	$ 4.47522	$ 4.51326
Revenue per ton-mile of freight	$ .01396	$ .01364
Revenue per passenger	$ 1.70479	$ 1.72314
Revenue per passenger-mile	$ .02352	$ .02353
Operating ratio	77.61	79.59

LONG-TERM DEBT

December 31, 1958

Name and Character of Obligation	Interest Rate %	Maturity Date	Outstanding With Public	Held in Treasury Unpledged
FIRST AND REFUNDING MORTGAGE BONDS				
Series of 1970	4.5	1970	$..........	$10,140,000
Series of 1970	2.875	1970	(a) 46,113,000	293,000
Series of 1978	4.375	1978	(b) 22,500,000	1,500,000
Series of 1985	3.125	1985	(c) 45,364,000	123,000
Series of 1990	3	1990	(d) 22,368,000	332,000
Series of 1998	4	1998	....	19,729,000
Total Bonds			$136,345,000	$32,117,000
EQUIPMENT OBLIGATIONS				
Equipment Trust Certificates		Serially to		
1948	2.25	1963	$ 2,169,000	$..........
1949 No. 1	2.25	1964	1,070,000	....
1949 No. 2	2	1959	103,000	....
1950	2.125	1965	4,420,000	....
1953 No. 1	3.25	1968	4,465,000	....
1953 No. 2	2.875	1968	3,600,000	....
1954 No. 1	2.625	1969	5,145,000	....
1954 No. 2	2.625	1969	3,500,000	20,000
1955 No. 1	2.875	1970	6,670,000	....
1955 No. 2	3.125	1970	3,480,000	....
1956 No. 1	3.125	1971	6,500,000	....
1956 No. 2	3.875	1971	3,120,000	....
1957	3.75	1972	6,750,000	....
1958 No. 1	3.5	1973	4,350,000	....
1958 No. 2	3.5	1973	4,640,000	....
1958 No. 3	3.375	1973	5,945,000	....
Conditional Payment Contracts				
The Northern Trust Co., Chicago—Assignee	3.04	1960	373,219	....
The Northern Trust Co., Chicago—Assignee	4.25	1965	4,632,188	....
The Northern Trust Co., Chicago—Assignee	4.25	1965	1,189,688	....
J. P. Morgan & Co., Inc., New York—Assignee	3.25 and 3.375	1967	14,437,927	....
Total Equipment Obligations			$ 86,560,022	$ 20,000
Total Long-Term Debt			$222,905,022	$32,137,000

(a) Annual sinking fund $248,825.

(b) Annual sinking fund $500,000.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1958

	Increase	Decrease
Bonds:		
General Mortgage 4%		$24,590,000
First and Refunding 2⅞% Series of 1970		248,000
First and Refunding 4⅜% Series of 1978		2,000,000
First and Refunding 3⅛% Series of 1985		1,658,000
First and Refunding 3% Series of 1990		375,000
Principal of Equipment Obligations:		
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1949—No. 2		206,000
Equipment Trust of 1950		680,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		490,000
Equipment Trust of 1954—No. 2		340,000
Equipment Trust of 1955—No. 1		580,000
Equipment Trust of 1955—No. 2		290,000
Equipment Trust of 1956—No. 1		520,000
Equipment Trust of 1956—No. 2		240,000
Equipment Trust of 1957—No. 1		500,000
Equipment Trust of 1958—No. 1		150,000
Equipment Trust of 1958—No. 2		160,000
Equipment Trust of 1958—No. 3		205,000
Equipment Conditional Sale Contracts		4,055,531
Securities Issued:		
First and Refunding 4⅜% Series of 1978 Bonds	$24,500,000	
Equipment Trust of 1958—No. 1	4,500,000	
Equipment Trust of 1958—No. 2	4,800,000	
Equipment Trust of 1958—No. 3	6,150,000	
	$39,950,000	$38,813,531
Net Increase	$ 1,136,469	

DESCRIPTION OF MORTGAGES

First and Refunding Mortgage

The First and Refunding Mortgage is a first lien on 7953.18 miles of main and branch line railroad now owned by the Company including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana; is a first lien on all locomotives, cars and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 353,842 shares of capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Indentures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

> **Series of 1970** 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 102⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅜ August 1, 1957 to July 31, 1961, reduced periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1978 4⅜% Bonds may be redeemed as a whole, or in part, on any interest date at 105 February 1, 1963 to January 31, 1964; thereafter the premium reduces periodically to January 31, 1976; after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $500,000 for redemption of Series of 1978 4⅜% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 103 February 1, 1958 to January 31, 1963; reduced periodically to January 31, 1976, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 101¾ August 1, 1957 to July 31, 1961, reduced periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103¼ February 1, 1958 to January 31, 1962; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100¾ February 1, 1958 to January 31, 1962; reduced periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			176.64	569.73
Illinois	1,549.14	340.18	40.95	4.75	1,031.98	2,967.00
Iowa	932.61	249.44			274.73	1,456.78
Kansas	200.49				23.17	223.66
Minnesota	23.09	2.71			39.02	64.82
Missouri	1,133.77	84.72			433.35	1,651.84
Montana	134.53				47.00	181.53
Nebraska	2,636.26	29.32			755.84	3,421.42
South Dakota	183.49				30.71	214.20
Wisconsin	220.25	214.17			62.96	497.38
Wyoming	677.59				201.74	879.33
Total*	8,083.79	921.06	40.95	4.75	3,077.14	12,127.69
Operated under lease or contract	603.25	130.19	.76	.76	436.82	1,171.78
Grand Total*	8,687.04	1,051.25	41.71	5.51	3,513.96	13,299.47

*Includes yard tracks and sidings owned but not operated as follows: Illinois .71 mile, Iowa .71 mile, Nebraska .27 mile, total 1.69 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31, 1957	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1958	Average tractive power all locomotives and average capacity all freight cars
Locomotives:					
Steam	106			106	
Diesel Road	506		1	505	
Diesel Switch	177			177	
Gas-Electric	1			1	
Total Locomotives	790		1	789	62,187 Lbs.
Freight-train cars:					
Box	22,824	1,692	885	23,631	
Flat	2,392	1	32	2,361	
Stock	3,443		19	3,424	
Gondola and Hopper	14,445	694	221	14,918	
Caboose	499		11	488	
All classes of freight-train cars	43,603	2,387	1,168	44,822	50.60 Tons
Passenger-train cars:+					
Coaches	292			292	
Combination coach	36		2	34	
Parlor	12			12	
Dining	49		1	48	
Club, lounge and observation	7			7	
Postal	24			24	
Baggage, express and other nonpassenger	509	2	4	507	
Other passenger cars	25	5	1	29	
Total	954	7	8	953	
Passenger rail motor cars:					
Combination coach	5			5	
Other passenger-train rail motor	9			9	
Total	14			14	
All classes of passenger-train cars	968	7	8	967	
Company service cars:					
Business	14		2	12	
Ballast	1,289		1	1,288	
Derrick	4			4	
Wrecking	18			18	
Other company service	2,998	36	195	2,839	
All classes of company service cars	4,323	36	198	4,161	
All classes of cars in service	48,894	2,430	1,374	49,950	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1957	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1958
Freight-refrigerator cars*	2,301	100	111	2,290
Passenger-refrigerator cars*	4		1	3
Freight-flat cars‡		15		15
Freight-gondola cars‡		100		100
Zephyr train cars‡	2			2
Sleeping cars#	94		5	89

+22 cars are articulated.

*Leased to Burlington Refrigerator Express Co.

‡Leased to Fort Worth and Denver Ry. Co.

#Leased to Pullman Co.

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1958	1957	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$213,055,729	$212,715,213	$ 340,516	
Passenger	20,288,221	20,922,686		$ 634,465
Baggage	27,918	24,992	2,926	
Parlor and chair car	131,034	156,947		25,913
Mail	11,265,828	11,073,701	192,127	
Express	2,968,050	3,051,731		83,681
Other passenger-train	229,072	251,056		21,984
Milk	191,317	220,743		29,426
Switching	4,122,244	4,081,558	40,686	
Total	$252,279,413	$252,498,627		$ 219,214
INCIDENTAL:				
Dining and buffet	$ 2,245,817	$ 2,309,574		$ 63,757
Station and train privileges	48,258	63,514		15,256
Parcel room	232	289		57
Storage—Freight	9,033	9,566		533
Storage—Baggage	3,224	3,820		596
Demurrage	699,963	592,562	$ 107,401	
Communication	76,501	90,477		13,976
Power	7,752	4,887	2,865	
Rents of buildings and other property	486,734	540,690		53,956
Miscellaneous	808,853	851,507		42,654
Total	$ 4,386,367	$ 4,466,886		$ 80,519
Joint facility—Cr.	$ 1,376,013	$ 1,359,050	$ 16,963	
Joint facility—Dr.	Dr. 14,093	Dr. 16,348	2,255	
Total	$ 1,361,920	$ 1,342,702	$ 19,218	
Total railway operating revenues	$258,027,700	$258,308,215		$ 280,515

	1958	1957	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 27,640,638	$ 34,150,361		$ 6,509,723
Maintenance of equipment	33,883,988	33,426,383	$ 457,605	
Traffic	7,292,624	7,077,231	215,393	
Transportation	101,590,005	102,194,491		604,486
Miscellaneous operations	3,537,768	3,747,148		209,380
General	8,432,992	7,954,750	478,242	
Railway operating expenses—excluding depreciation and retirements	$182,378,015	$188,550,364		$ 6,172,349
Depreciation and Retirements—				
Road Property	5,887,474	5,679,639	207,835	
Equipment	11,998,109	11,349,090	649,019	
Total railway operating expenses	$200,263,598	$205,579,093		$ 5,315,495
Operating Ratio (For Operating Ratios by general accounts see Page 31)	77.61	79.59		1.98
Net revenue from railway operations	$ 57,764,102	$ 52,729,122	$ 5,034,980	
Railway tax accruals	$ 27,403,280	$ 26,291,733	$ 1,111,547	
Railway operating income	$ 30,360,822	$ 26,437,389	$ 3,923,433	
RENT INCOME				
Rent from equipment	$ 1,670,367	$ 1,738,020		$ 67,653
Joint facility rent income	779,659	832,222		52,563
Total rent income	$ 2,450,026	$ 2,570,242		$ 120,216
RENTS PAYABLE				
Rents for equipment	$ 5,942,143	$ 5,008,235	$ 933,908	
Joint facility rents	3,195,902	2,998,004	197,898	
Total rents payable	$ 9,138,045	$ 8,006,239	$ 1,131,806	
Net rents	Dr. $6,688,019	Dr. $5,435,997		$ 1,252,022
Net railway operating income	$ 23,672,803	$ 21,001,392	$ 2,671,411	

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1958	1957	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 7,724	$ 6,843	$ 881	
Miscellaneous rent income	732,649	677,738	54,911	
Income from nonoperating property	364,467	517,757		$ 153,290
Separately operated properties—profit	12,073	8,413	3,660	
Dividend income	992,127	1,013,906		21,779
Interest income	793,078	1,111,571		318,493
Release of premiums on funded debt	21	21		
Miscellaneous income	634,363	35,471	598,892	
Total other income	$ 3,536,502	$ 3,371,720	$ 164,782	
Total income	$ 27,209,305	$ 24,373,112	$ 2,836,193	
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 31,072	$ 31,625		$ 553
Miscellaneous tax accruals	137,226	150,143		12,917
Miscellaneous income charges	180,049	81,460	$ 98,589	
Total miscellaneous deductions	$ 348,347	$ 263,228	$ 85,119	
Income available for fixed charges	$ 26,860,958	$ 24,109,884	$ 2,751,074	
FIXED CHARGES				
Rent for leased roads and equipment	$ 57,632	$ 54,375	$ 3,257	
Interest on funded debt	7,247,259	6,801,818	445,441	
Interest on unfunded debt	1,704	2,572		$ 868
Amortization of discount on funded debt	62,631	68,507		5,876
Total fixed charges	$ 7,369,226	$ 6,927,272	$ 441,954	
Net income	$ 19,491,732	$ 17,182,612	$ 2,309,120	

INVESTMENTS IN AFFILIATED COMPANIES
DECEMBER 31, 1958

Name of Company	Percent of Owner-ship	Investment	
		Stocks	Bonds, Notes and Advances
Wholly owned companies:			
Burlington Equipment Company	100	$ 5,000	$ 500,000
Burlington Refrigerator Express Company	100	100,000	....
Burlington Truck Lines, Inc.	100	750,000	405,267
St. Louis and Kansas City Land Company	100	100,000	....
Jointly owned companies:			
Atchison Union Depot and Railroad Company	37½	27,000	7,972
Belt Railway Company of Chicago, The	7.69	240,000	139,104
*Chicago Union Station Company	25	....	4,944,107
Colorado and Southern Railway Co., The	73.74	21,987,223	962,500
Davenport, Rock Island and North Western Railway Company	50	1,748,182	1,320,406
Denver Market & Produce Terminal, Inc.	20	50,000	259,444
Denver Union Terminal Railway Company, The	16⅔	5,000	737,286
Illinois Northern Railway	25	250,940	50,000
†Illinois Terminal Railroad Company	9-1/11	1,818	....
Iowa Transfer Railway Company	20	16,100	9,400
*Kansas City Terminal Railway Company	8⅓	100,000	738,366
Keokuk Union Depot Company	40	8,024	3,996
Minnesota Transfer Railway Company	11-1/9	91,300	334,240
Missouri and Illinois Bridge and Belt Railroad Company	81.82	312,004	405,000
*Packers Car Line Company	19.18	6,140	231,693
Paducah & Illinois Railroad Company	33⅓	3,333	1,904,114
Pullman Company	2.42	653,864	....
Railway Express Agency, Inc.	2.7	2,700	780,719
Saint Joseph Union Depot Company	40	13,325	7,036
*Saint Paul Union Depot Company, The	12½	130,475	207,734
*Terminal Railroad Association of St. Louis	6¼	....	....
*Trailer Train Company	4-16/21	50,000	64,461
Winona Bridge Railway Company	66⅔	300	....
		$26,652,728	$14,012,845

*These terminal, depot, and car line companies, which provide facilities for joint use by the owning lines, have outstanding bonds or equipment obligations secured by lien superior to the investments of the proprietary companies, each of which has contingent liability in the event of default in payment of interest, or sinking fund, or failure to meet maturities by payment or refunding. Details are to be found in the annual report of the Company, Form A, to the Interstate Commerce Commission.

†Illinois Terminal Company, purchased in 1956 by this and ten other companies, has a short-term bank loan, guaranteed by the proprietors, as part of the plan of acquisition of the stock and sale of a part of the property, which loan will be paid or refunded in 1959.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301,405	18,917,207	27,134,102
1955	8,823.89	203,700,425	19,249,645	26,276,202
1956	8,804.00	212,288,429	20,226,396	24,517,670
1957	8,776.89	212,715,213	20,922,686	24,670,316
1958	8,729.71	213,055,729	20,288,221	24,683,750

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

			Taxes	Average Per Mile of Road Operated		
Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Income Account 532	Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272
1955	249,226,272	190,704,931	28,850,235	28,244	21,612	3,270
1956	257,032,495	196,359,600	31,392,521	29,195	22,303	3,566
1957	258,308,215	205,579,093	26,291,733	29,430	23,423	2,996
1958	258,027,700	200,263,598	27,403,280	29,557	22,940	3,139

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47
1955	251,768,664	223,086,211	6,524,607	22,157,846	12.97
1956	260,096,276	231,887,566	6,643,492	21,565,218	12.62
1957	261,679,935	237,695,505	6,801,818	17,182,612	10.06
1958	261,564,202	234,825,211	7,247,259	19,491,732	11.41

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791
1955	8,823.89	37,759,174	39,149,896	97,279,128	4,279	4,437	11,025
1956	8,804.00	35,749,003	42,790,642	99,819,421	4,061	4,860	11,338
1957	8,776.89	39,830,000	44,775,473	102,194,491	4,538	5,102	11,644
1958	8,729.71	33,528,112	45,882,097	101,590,005	3,841	5,256	11,637

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	63.39
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42
1955	15.15	15.71	39.03	76.52
1956	13.91	16.64	38.84	76.39
1957	15.42	17.34	39.56	79.59
1958	12.99	17.78	39.37	77.61

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

FREIGHT AND PASSENGER TRAFFIC

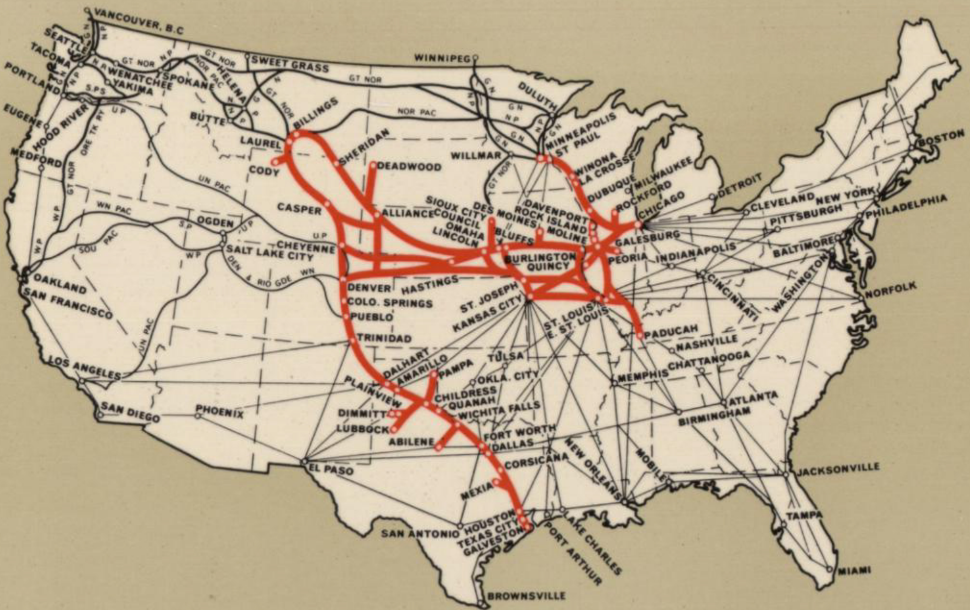
Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258
1955	1,437,596	16,096,078	1.266	861,327	2.235
1956	1,460,407	16,670,939	1.273	886,357	2.282
1957	1,359,116	15,600,062	1.364	889,103	2.353
1958	1,333,315	15,258,487	1.396	862,595	2.352

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	Forwarder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45
1955	18.95	8.33	15.91	6.65	41.38	5.16	3.62
1956	18.90	8.72	16.70	5.85	41.16	5.26	3.41
1957	21.77	7.83	15.51	5.70	40.55	5.23	3.41
1958	25.55	7.38	14.58	6.33	38.10	4.93	3.13

EVERYWHERE WEST


VANCOUVER, B.C
SEATTLE
TACOMA
PORTLAND
EUGENE
HOOD RIVER
MEDFORD
WENATCHEE
YAKIMA
SPOKANE
HELENA
BUTTE
SWEET GRASS
BILLINGS
LAUREL
CODY
SHERIDAN
DEADWOOD
CASPER
ALLIANCE
CHEYENNE
OGDEN
SALT LAKE CITY
OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
PHOENIX
EL PASO
WINNIPEG
DULUTH
WILLMAR
MINNEAPOLIS
ST PAUL
WINONA
LA CROSSE
DUBUQUE
MILWAUKEE
ROCKFORD
CHICAGO
DAVENPORT
ROCK ISLAND
MOLINE
SIOUX CITY
DES MOINES
COUNCIL BLUFFS
OMAHA
LINCOLN
BURLINGTON
QUINCY
GALESBURG
PEORIA
DENVER
HASTINGS
COLO. SPRINGS
PUEBLO
TRINIDAD
ST. JOSEPH
KANSAS CITY
ST. LOUIS
E. ST. LOUIS
PADUCAH
DALHART
AMARILLO
PAMPA
TULSA
OKLA. CITY
PLAINVIEW
CHILDRESS
QUANAH
WICHITA FALLS
DIMMITT
LUBBOCK
ABILENE
FORT WORTH
DALLAS
CORSICANA
MEXIA
HOUSTON
TEXAS CITY
GALVESTON
SAN ANTONIO
BROWNSVILLE
PORT ARTHUR
LAKE CHARLES
NEW ORLEANS
MOBILE
MEMPHIS
NASHVILLE
CHATTANOOGA
BIRMINGHAM
ATLANTA
JACKSONVILLE
TAMPA
MIAMI
INDIANAPOLIS
CINCINNATI
DETROIT
CLEVELAND
PITTSBURGH
NEW YORK
PHILADELPHIA
BALTIMORE
WASHINGTON
NORFOLK
BOSTON
GT NOR
NOR PAC
UN PAC
WN PAC
SOU PAC
DEN & RIO GDE WN
U.P.
S.P.
W.P.
S.P.S.
ORE TR RY
G.N.
N.P.

WAY OF THE ZEPHYRS

1958

Burlington Route